

VII. TRANSFER TAXES

Estate Tax

General Liability

The estate tax is a transfer tax on the estates of resident decedents and the estates of nonresident decedents having real estate or tangible personal property in Virginia. Estates of alien decedents having real estate or tangible personal property located in Virginia, as well as intangible personal property attributable to Virginia, are also subject to the tax. The tax is a “pick up” tax, based on the federal credit for state death taxes as it existed on January 1, 1978 reported on the federal estate tax return (Form 706). Accordingly, only those estates that are required to file a federal estate tax return will be subject to the Virginia estate tax requirements. Federal filing requirements are based on the gross value of the estate, as shown below:

Date of Death	Gross Value Subject to Estate Tax Filing Requirements Exceeding
January 1, 2000 - December 31, 2001	\$ 675,000
January 1, 2002 - December 31, 2003	\$ 1,000,000
January 1, 2004 - December 31, 2005	\$ 1,500,000
January 1, 2006 - December 31, 2008	\$ 2,000,000
January 1, 2009 - December 31, 2009	\$ 3,500,000

Filing Procedure

The personal representative of the estate is required to file the return and pay any tax due within nine months after the date of death. When a federal extension of time to file or to pay the tax is granted, the Virginia return and/or payment is extended to the same date and for the same portion of the tax as for federal purposes.

An approved copy of the federal extension form must be attached to the Virginia return when it is filed. A copy of the federal return and all attachments and schedules must accompany the Virginia return. The “Personal Representative” means the executor, administrator, beneficiary, or any person in actual or constructive possession of any property of the decedent.

Tax Computation

Virginia’s estate tax is equal to the Credit for State Death Taxes allowable under the federal estate tax law Section 2011 of the Internal Revenue Code, as it existed on January 1, 1978. For estates of nonresident decedents, the tax is apportioned, based on the value of real and tangible personal property located in Virginia.

Penalties and Interest

The penalty for late filing or late payment is 5 percent of the tax due. If the failure to pay is fraudulent, a penalty of 100 percent of the tax due will be added. Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will also be added to the tax and penalty.

Disposition

Revenue is deposited to the state’s general fund.

Download Forms Online

EST-80-Virginia Estate Tax Return

For Assistance Contact:

Secure messaging at VATAX Online for Individuals www.tax.virginia.gov

Virginia Department of Taxation

P.O. Box 1115

Richmond, VA 23218-1115

804-367-8031

For Forms:

Download at: www.tax.virginia.gov

Fax: 804-236-2779

Telephone: 804-236-2760, 804-236-2761, or 804-236-2762

Virginia Department of Taxation

Forms Request Unit

P.O. Box 1317

Richmond, VA 23218-1317

Probate Tax
(Tax on Wills and Administrations)

General Liability

A state tax is imposed on the probate of wills and grants of administration not exempt by law.

Filing Procedure

A probate tax return must be filed with the circuit clerk of the court at the time the will is offered for probate, or grant of administration is sought, if the estate exceeds \$15,000 in value at the time of death.

Tax Rates

There is no tax on estates valued at \$15,000 or less. For estates exceeding \$15,000, the tax is 10 cents per \$100, or fraction of \$100, including the first \$15,000

Disposition

Revenue is deposited to the state's general fund.

Download Form Online at www.tax.virginia.gov

PT-1 - Probate Tax Return

For Assistance Contact:

The clerk of the court in the appropriate jurisdiction. Information is also available from:

Virginia Department of Taxation

P.O. Box 1115

Richmond, VA 23218-1115

804-367-8031

For Forms:

Download at: www.tax.virginia.gov

Fax: 804-236-2779

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Recordation Tax

General Liability

Virginia imposes a state tax on the admission to record of deeds, deeds of trusts, mortgages, leases, and contracts.

Collection of Tax

The tax on every deed, contract or other legal instrument will be determined and collected by the clerk of the court in whose office it is first offered for recordation. After that, such instrument may be recorded in the office of any other clerk without payment of the state tax (local taxes may be due).

Tax Rates

Deeds generally: The tax rate is 15 cents on every \$100 (or fraction of \$100) of the consideration or the actual value of the property conveyed, whichever is greater. An additional tax may be imposed by the localities equal to one-third of the state tax for a total state and local tax of 20 cents per \$100. In addition to the tax on deeds, a grantor tax is imposed at the rate of 50 cents on every \$500 (or fraction of \$500) of the consideration or value of the interest exclusive of the value of any lien or encumbrance.

Deeds of trust or mortgages: The tax rates on the bonds or other obligations secured by the deed of trust or mortgage are as follows:

on the first \$10 million, 15 cents on every \$100 or portion thereof;
on the next \$10 million, 12 cents on every \$100 or portion thereof;
on the next \$10 million, 9 cents on every \$100 or portion thereof;
on the next \$10 million, 6 cents on every \$100 or portion thereof;
and on all over \$40 million, 3 cents on every \$100 or portion thereof.

An additional tax may be imposed by the localities equal to one-third of the state tax.

Disposition

Revenue from the state taxes is deposited to the state's general fund except for the tax on grantors, which is split one-half with the locality.

For Assistance Contact:

The clerk of the court in the appropriate jurisdiction
Information is also available from:
Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8020